



Mike Kadas
Director

Montana Department of Revenue



Steve Bullock
Governor

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Kevin Nelson
PO Box 23107
Billings, MT 59104

Mr. Nelson,

Below is a response to several questions regarding the Billings Downtown TIF that you had raised at the last Revenue and Transportation Interim Committee:

- Federal Courthouse – the new courthouse was built in 2011, splits two levy districts (2T3 and 2T3A), and it is 100% exempt. The courthouse had a taxable value, however, that contributed to the base in 2008 when it was a Montana-Dakota Utility building.
- How is it possible to have so much value coming from one building? The increase in value is a combination of various tax types including centrally assessed, real property, and personal property.
- More taxable value assessed in the TIF in 2009 than reported in 2010:

	2009	2010	
Reported COV	510,265	2,741,273	
Recertify Today	871,244	2,537,460*	
Difference	360,979	-203,813	

The following Real/Personal Properties contributed to the 2009-2010 increase:

	2009	2010	Difference
First Interstate Bank	0	62,047	62,047
Payne West Insurance	0	23,382	23,382
Computers Unlimited	63,559	77,684	14,125
CTA Architects	15,687	33,845	18,158
US Bank	17	15,335	15,318
Zoot Properties LLC	136,714	153,690	16,976
Montana Brewing Co.	0	9,594	9,594
Western Security Bank	15,617	23,903	8,286
McKenna Hotel Investments	324,899	311,004	-13,895
Michael Development	282,002	273,608	-8,394
Misc Properties +/-	2,913,391	3,043,761	130,370
Total Difference	3,751,886	4,027,853	275,967

- How do we reach \$3 million today in taxable value?

2009 Increment	871,244
Additional taxable value from centrally assessed property	1,390,249
Value increases in Real Property and Personal Property	275,967
Total	2,537,460

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- The following centrally assessed properties contributed to the increase in 2009 and 2010:

	2009	2010	Difference
BNSF	1,167	861	-306
Qwest Corp	0	114,008	114,008
Mid Rivers	33	36	3
MCI Communications	0	358	358
Qwest Comm Corp	0	44,442	44,442
Celloco-Verizon	96,858	131,658	34,800
AT&T Communications	350,107	468,098	117,991
WWC Holdings	0	35,409	35,409
MTPCS-Cellular One	0	2,681	2,681
AT&T Mobility	0	1,040,863	1,040,863
Total:	448,165	1,838,414	1,390,249

*Largest impact in 2010, many of these centrally assessed companies were not identified in this district for 2009.

I hope this information regarding the questions you raised regarding the Billings Downtown TIF at the last Revenue and Transportation Interim Committee is helpful.

Sincerely,



Mike Kadas
Director